



LESHA ENERGY
RESOURCES LIMITED

Report Junction.com
18th Annual Report

2008 - 2009

Regd. Office
702, Ashoka Chambers, Near Lions Hall, Mithakhali Six Road,
Ahmedabad 380 006.

LESHA ENERGY RESOURCES LIMITED

**18th ANNUAL REPORT
2008 - 2009**

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BOARD OF DIRECTORS

ASHOK C. SHAH
SHALIN A. SHAH
PRAVIN P. SHAH
HARIYANT C. SHELAT

CHAIRMAN & MANAGING DIRECTOR
DIRECTOR (Whole Time)
DIRECTOR
DIRECTOR

1.

2.

3.

AUDITORS

M/s. NAIMISH K. SHAH & CO.
Chartered Accountants.

4.

SPEC

BANKERS

ICICI Bank Ltd., Ashram Road Branch, Ahmedabad
Union Bank of India, Ashram Road Branch, Ahmedabad
Syndicate Bank, Ashram Road, Ahmedabad.

5.

REGD. OFFICE

7th Floor, Ashoka Chambers.
Mithakhali Six Road, Near Lions Hall,
AHMEDABAD 380 006.

REGISTRAR & SHARE TRANSFER AGENTS

PURVA SHAREGISTRY (INDIA) PVT. LTD.
Shiv Shakti Industrial Estates, Unit No. 9
7-B, J. R. Boricha Marg,
Sitaram Mill Compound,
Mumbai 400 011.

Place
Date . 01.

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of LESHA ENERGY RESOURCES LIMITED will be held on 30th September, 2009 at 10.00 a.m at 7th Floor, Ashoka Chambers, Near Lions Hall, Mithakhali Six Roads, Ahmedabad 380 006 to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March 2009, Profit & Loss Account for the year ended on that date and Director's Report and the Auditor's Report thereon.
2. To appoint a Director in place of Mr. Shalin A. Shah, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Ashok C. Shah, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors of the company to hold office from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if through fit, to pass, with or without modification, the following resolution as an Ordinary Resolution;

"RESOLVED that in accordance with the provision of Section 198, 269 and 309 read with Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, the company hereby approves the re-appointment and the remuneration payable to Mr. Shalin A. Shah as Whole-time Director of the Company for a period of five years from 01.11.2008 to 31.10.2013 on such terms and conditions including remuneration as set out in the agreement submitted to this meeting and initialed by the Chairman for the purpose of identification.

RESOLVED FURTHER that notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the Whole-time Director, the company has no profits or its profits are inadequate, the Company will pay Mr. Shalin A. Shah the remuneration by way of salary and perquisites not exceeding the limits indicated in the Explanatory Statement.

RESOLVED FURTHER that the scope and quantum of remuneration specified here in above, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and/ or the rules and regulations made there under and / or such guidelines as may be announced by the Central Government from time to time."

By Order of the Board
FOR, Lesha Energy Resources Limited.

Place : Ahmedabad
Date : 01.09.2009

Ashok C. Shah
[Chairman & Managing Director]

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ANNUAL GENERAL MEETING.

(IN PURSUANCE OF CLAUSE 49(VI) A OF THE LISTING AGREEMENTS)

NAME OF DIRECTOR	Shalin A. Shah	Ashok C. Shah
Age (Yrs.)	36	65
Qualifications	B.E.(Civil)	B.Sc. (India) B.S. (Chem., Eng., USA) MIA (USA)
Designation	Director (Whole Time)	Chairman & Managing Director
List of Companies in which outside Directorialship held	Technocorp infosystems Ltd. Shree Ghantakarana Rolling Mills Pvt. Ltd.	Shree Ghantakarana Rolling Mills Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	-----	Two

Place : Ahmedabad
Date : 01.09.2009

Regd. Office
7th Floor, Ashoka Chambers,
Mithakhali Six Road, Near Lions Hall,
AHMEDABAD : 380 006.

By Order of the Board
FOR, Lesh Energy Resources Limited.

Ashok C. Shah
[Chairman & Managing Director]

NOTES :

1. A Member is eligible to attend and vote is entitled to appoint one or more **proxies** to attend and vote instead of himself and a Proxy need not be a member. The instrument appointing a **proxy** shall be deposited at the Registered Office of the Company not later than 48 hours before the **time fixed** for holding the meeting.
2. The Members are requested to notify any change in their address to the **company** quoting their folio number at the earliest to avoid inconvenience at a later stage.
3. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting, therefore, Members are requested to bring their copies of Annual Report to the meeting.
4. Shareholders seeking any information with regards to accounts are requested to write to the Company latest by 20 September, 2009 so as to enable the management to keep the **information** ready.
5. Members/Proxies should bring the Attendance slip attached herewith **duly filled in** for attending the meeting.
6. Register of Members shall remain closed from 25th September, 2009 to 30th September, 2009 (Both days inclusive).
7. Member Companies/Organisations are requested to send a copy of the **resolution** of their Governing Body authorising their representative to attend and vote at this Annual General Meeting.
8. Explanatory Statement pursuant to Section 173(2) of the Act is enclosed.

By Order of the Board
FOR, Lesh Energy Resources Limited.

Place : AHMEDABAD
Date : 01.09.2009

ASHOK C.SHAH
[Chairman & Managing Director]

EXPLANATORY STATEMENT

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.
ITEM NO. 5:

Mr. Shalin A. Shah was re-appointed as the Whole-time Director of the Company at the Board Meeting held on 21st October, 2008 for a period of five years from 01.11.2008 to 31.10.2013 on the terms and conditions including remuneration in accordance with the provisions contained in Schedule XIII to the Companies Act, 1956.

Taking into account the significant contribution made by Mr. Shalin A. Shah to the progress and development of the company and in order to continue to avail of the benefits of his vast experience and expertise, the Board of Directors have, pursuant to the Resolution adopted on 21st October, 2008, re-appointed Mr. Shalin A. Shah as the Whole-time Director of the Company for a period of five years from 01.11.2008 to 31.10.2013, in accordance with the provisions contained in Schedule XIII to the Companies Act, 1956. The details of the remuneration payable to Mr. Shalin A. Shah as Whole-time Director are set out below:

1. Remuneration :

- a) Salary of Rs. 25,000 - (Rupees Twenty Five Thousand only) per month with such increments as may be decided by the Board subject to a ceiling of Rs. 50,000/- (Rupees Fifty Thousand Only) per month.
- b) Perquisites: In addition to the salary and commission the Whole-time Director shall be entitled to the following perquisites:

The perquisites are classified into three categories as under:

CATEGORY 'A'

- i) **Housing I :** The expenditure incurred by the Company on hiring furnished accommodation for the Managing Director will be subject to the following ceiling:
Forty Five per cent of the Salary, over and above ten per cent payable by the Whole-time Director.

Housing II : In the case the accommodation is owned by the Company, ten per cent of the salary of the managing director shall be deducted by the Company.

Housing III : In case no accommodation is provided by the Company, the Whole-time Director shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of ten per cent of the salary of the Managing Director.

- ii) **Medical, Hospitalization and Health-care expenses Reimbursement:** Reimbursement of actual expenses incurred for the Whole-time Director and his family.
- iii) **Leave Travel Concession :** For the Whole-time Director and his family, once in a year incurred in accordance with any rules specified by the Company.
- iv) **Personal accident insurance:** Premium as per the rules of the Company.

CATEGORY 'B'

- i) **Provident Fund:** Company's contribution to Provident Fund shall be as per the scheme applicable to the employees of the Company.

Contribution to provident fund will not be included in the computation of perquisites to the extent this is not taxable under the Income-tax Act.

- ii) **Gratuity :** As per the rules of the Company, which shall not exceed half a month's salary for each completed year of service.
- iii) **Encashment of Leave:** Encashment of Leave at the end of the tenure of the appointment will not be included in the computation of perquisites.

CATEGORY 'C'

- i) Car: Provision of car with driver for use on Company's business is not to be considered as perquisites. Use of car for private purpose shall be billed by the Company to the Whole-time Director.
 - ii) Telephone: Telephone(s) at the residence of the Whole-time Director and a Mobile Phone for his use not to be considered as perquisites. Personal long distance calls on telephone(s) shall be billed by the Company to the Whole-time Director.
2. The Whole-time Director shall be entitled to annual privilege leave on full salary for a period of thirty days and such leave shall be allowed to be accumulated for not more than Ninety days.

The agreement between the company and Mr. Shalin A. Shah referred to in the notice is open for inspection at the registered office of the company during office hours on all working days till the date of Annual General Meeting.

None of the Directors, except Mr. Shalin A. Shah & Mr. Ashok C. Shah is concerned or interested in this Resolution.

By Order of the Board
FOR, Leshia Energy Resources Limited.

Place : Ahmedabad
Date : 01.09.2009

Ashok C. Shah
[Chairman & Managing Director]

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DIRECTOR

To
The Managing Director
LESHIA ENERGY RESOURCES LIMITED

Your Director
account

FINANCIAL

The following

Sales

Profit before

Depreciation

Taxation

Net Profit

STATUS

The company is carrying on its business and operations in accordance with the provisions of the Companies Act, 1956.

FINANCIAL

During the year

FUTURE

The company is expected to be profitable in the future.

PART

There is no complaint received from any shareholder regarding the financial statements.

STAT

Particulars of the financial statements are not required to be audited by the auditor.

DIRECTOR

Mr. Shalin A. Shah
Meeting

PUBLICATION

Your

DIRECTORS' REPORT

To
The Members of
LESHA ENERGY RESOURCES LIMITED.

Your Directors have pleasure in presenting their 18th Annual Report together with the audited statement of accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS :

The following figures represent the results for the year :-->

	2008-2009 Rs.	2007-2008 Rs.
Sales & Other Income	71,97,322	1,04,44,433
Profit before Depreciation & Taxation	2,02,654	2,73,156
Depreciation	1,31,341	1,43,155
Taxation	14,000	75,000
Net Profit After Tax for the year	57,313	55,001

STATUS OF THE PROJECT :

The company is engaged in the business of Oil & Gas exploration and production, and currently the company is carrying on these activities through its 100% owned subsidiaries. The company currently holds 30% participating interest (through its 100% owned subsidiary) in six producing Oil & Gas fields in the Cambay Basin. It is an operator in majority of these fields (with remainder held by Government of India as operator and GSPCL- Gujarat State Petroleum Corporation Limited).

FINANCE :

During the year company had received call money on warrants and shares were allotted to warrant holders.

FUTURE OUTLOOK:

The company through its 100% owned subsidiaries expects to generate revenue of Rs. 11 crores and net profit of Rs. 5 crores in FY2010 which the revenues are expected to touch Rs. 90 crores by 2015.

PARTICULARS OF EMPLOYEES :

There are no employee drawing remuneration exceeding the limit stipulated under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

STATUTORY INFORMATION :

Particulars of conservation of energy etc. u/s. 217(1)(e) are not applicable as the Commercial Production has not yet commenced. There are no plans to import any kind of technology for the project and hence information regarding its absorption is not applicable. There is no foreign exchange income or outgo.

DIRECTORS :

Mr. Shalin A. Shah and Mr. Ashok C. Shah retire from the Board by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

PUBLIC DEPOSITS :

Your Company has not accepted any deposits during the year under review.

AUDITORS :

M/s. Naimish K. Shah & Co. Chartered Accountants, Ahmedabad, Auditors of the company held office until the conclusion of the ensuing Annual General Meeting and, being eligible have expressed their willingness to be re-appointed.

AUDIT OBSERVATIONS :

With reference to the observations of the Auditors on the accounts the notes to the Schedule are self-explanatory.

DIRECTORS RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA), as incorporated by the Companies (Amendment) Act, 2000 in the Companies Act, 1956 your Directors confirm :

- i) That, in the preparation of the annual accounts, the applicable accounting standards had been followed,
- ii) That, the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on 31st March'2009 and of the profit or Loss of the company for the year.
- iii) That, the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That, the directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT :

The Directors wish to place on record the unstinted efforts and dedicated services extended by the employees at all levels and the support received at all times from customers, suppliers, agents, and general public for their support and confidence reposed in the management.

Your Directors are also grateful to the Central and State Government Authorities and Company's Bankers for their continued assistance and support. The Directors also express their sincere thanks to all the Shareholders for the continued support and trust they have reposed in the management.

For and on behalf of the Board,
FOR, Leshya Energy Resources Limited.

Place : Ahmedabad
Date : 01.09.2009

ASHOK C. SHAH
Chairman & Managing Director.

ANNEXURE - II CORPORATE GOVERNANCE REPORT

1. Company's Philosophy :

Statutorily, Corporate Governance involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. The Company's philosophy of Corporate Governance is not only to meet the statutory requirements but also to go well beyond that and to attain a high level of transparency and accountability in the functioning of the company and the conduct of the business both internal and external. This is done with the sole view to enhance stake holder's value.

2. Board of Directors :

a) Composition of Board

The Board of Directors of the Company comprises of 4 Directors, of which one is Managing Director, one Whole Time Director and all others are Non Executive Directors. However there are two Independent Directors.

b) Board Meetings :

During the financial year 2008-2009, Seven Board meetings were held on 17/04/08, 23/06/08, 07/07/08, 14/07/08, 21/10/08, 23/01/09 & 19/03/09.

The composition, attendance and other memberships of the Board of directors of the company is given as follows:

Name of Director	Designation	Category	No. of Board meetings attended	Attendance at last AGM	Total No. of Directorships in public companies	Total No. of Committee memberships
Ashok C. Shah	Chairman & Mg. Director	Executive Director	7	YES	--	2
Shalin A. Shah	Whole-time Director	Executive Director	7	YES	--	--
Pravin P. Shah	Director	Non-Executive Independent	7	YES	--	2
Hariyant C. Shelat	Director	Non-Executive Independent	7	YES	--	2

3. Remuneration of Directors

a) Directors :

The Company has not set up a Remuneration Committee. The remuneration of Executive Directors were fixed by the Board and approved by the Shareholders at the Annual General Meetings. Details of remuneration paid to Managing Director during the financial year 2008-2009 is given below :

Name of Director	Designation	Tenture of Appointment	Salary (Rs.)
Ashok C. Shah	Managing Director	5 Years	360000/-
Shalin A. Shah	Whole Time Director	5 Years	300000/-

b) Non-Executive Directors :

Non-Executive Directors have not been paid any remuneration or sitting fees for attending Board and Committee meetings.

4. Audit Committee

The Board of the company has constituted an Audit Committee, comprising of Directors viz., Ashok C. Shah, HariyantC. Shelat are the members and Pravin P. Shah is the chairman of the committee. The terms of reference stipulated by the Board to the Audit committee covers the matters specified under clause 49 of the Listing Agreement as well as section 292 A of the companies Act 1956. The Committee also act as a link between the statutory auditors and the Board of Directors. The committee meets the statutory auditors periodically and reviews the quarterly / half-yearly and annual Auditor's Report thereon financial statements and discusses their findings and suggestions and seeks clarifications thereon. Four Audit Committee Meetings were held during the year ended 31st March 2009.